

EMPLOYEE COMPETENCIES ACTING AS AN INTERMEDIARY ON MEASURING ORGANIZATIONAL PRODUCTIVITY: A REVIEW PERSPECTIVE

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ABSTRACT

The expansion of markets and change in economies of scale has forced organizations to focus on identifying their employee's competencies and have an alignment in designing strategies in order to match their competencies to achieve organization goals and objectives. Organizations strive hard to create a competitive edge over their competitors; it can only be done when there is a match between employee competencies and framed policies. Organizational Productivity measurement is again a very complex phenomenon, it covers both qualitative and quantitative aspects. So measuring the performance not only mean only in financial growth, but also other factors which equally play a vital role in assessing its share in the market. The article highlights the linkage and critical role played by employee competencies as an intermediary in assessing the organizational performance. The article written after an extensive review of literature and focused on coming out with a paperwork which provides a framework by prominently finding the role of employee competencies. In this paperwork, the employee competencies placed as a mediating variable, Organizational policies as independent variable and different components of productivity as the dependent variable. The objective of this work is to bring clarity in these dominantly gaining importance concepts and providing a framework which trace out the importance of employee competencies. Though the concept has gained profound importance in western countries, in Indian context many sectors are still away of its use and its benefits. It is high time to add value to your organization's workforce and make them feel good about their integral and value addition role in measuring organizational performance.

KEYWORDS: Employee, Competencies, Intermediary, Organization, Productivity & Perspectives

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INTRODUCTION

In this rapid and cut-throat competition era of globalization, the work environment became tougher and existence of organizations solely depends on their framed strategies in order to manage resources. Among all the resources, employees are one of the most efficient and effectively utilized resources. Organizations should foster proper strategies to make the employees ready and match with the market requirements. The modern researchers indicated that the skills and competencies of the employee force must be sharpened and continuously updated in order to face the challenge and cope with the market demand when and where required (Khan, Masrek, Nadza 2015). It has noted out clearly that human Resource of an Organization act as a biggest and the strongest force to facilitate an organization not only to design its policies and strategies but also to make them implementable. Employee competencies can be a benchmark which defines its growth in the long run. It enables to create a positive and supportive environment among the employees and boost their morale to perform more effectively and

efficiently. So it is highly essential to construct and provide employees with a clear set of instructions about the strategic goals, organizational expectations and design in line with these targets (Swarnalatha & Prasanna, 2012; Gill, 2011; Harter et al, 2002). Competent workforce not only increases the rate of firms' success but also minimizes wastage of resources (Macey, 2006; Branham, 2005, Forkouh et al, 2012). The increased level of internal and external competition resulted in many fold challenges and difficulties for the organization to keep a pathway of these changes and adopting them (Sweis et al., 2011; Krylova et al., 2016).

OVERVIEW

Since the concept of Competency management was first coined by David McClelland, and then many more contributed to the field among them Boyatzis (1982), Spencer and Spencer (1993) were the major contributors in order to make the concept more prominently practiced in different fields so that it can gain profound importance, in order to do so they have developed a scale known as ESCI scale, along with Hay group. The identified competencies in the scale became a source for many researchers in order to measure the impact of employee competencies on different aspects of Organizational performance. Proper utilization of employee competencies can become a yardstick to identify the organization's present market status and also focus on future perspective areas and maximize long term returns and minimize wastage and costs. Recent studies in the field clarified that Individual competency is an area of attention which enables an individual to shape his knowledge, skills and abilities and also utilize towards organizational goal attainment.

NEED FOR THE STUDY

The central objective of this paperwork is to identify the relationship between employee competencies and its impact on the organization's performance. Though majorly existing literature work done in this area focused on competency management, identifying competencies and also how to make it implementable by the organization, but very few numbers of literatures showed the relationship between competencies acting as an intermediary in the organizational productivity achievement. The change in stiff competition forced the organizations to respond creatively to the market changes and adopt innovative ways in their management styles; in order to find the creativity among their individuals and provide suitable tools that help in creating innovative ways and which ultimately mediates between input and output transformation process (Mughraj, 2015). It is clearly evident that among all the resources employees of an organization is at the top of the hierarchy and their integral role cannot be ignored for achieving excellence. In consideration to these issues this paperwork highlights how the workforce competencies act as an intermediary between organization input and output transformation process. The possession of right set of competencies by employees can make the organization more goals centric and understand the role of human force as a measurement tool for achieving different aspects of output. The existing work allows summing up and developing a framework which focuses on how employee competencies act as an intermediary for the achievement of organizational productivity.

PROBLEM STATEMENT

There are a cluster of competencies possessed by employees of an organization, the competencies act as an anchor to handle and frame policies and also to overcome the gaps that exist between its present and future requirements, because every employee has its own knowledge, skills, and capabilities. It is very essential that these competencies must be sharpened over time in order to add value to their roles and responsibilities. The possessed competencies need to match with organizational requirements. But nevertheless organization consider it as an ancillary task rather than primary force,

so its highly essential to make it clear and focused to identify the role of employee competencies as a mediating link between organizational policies and productivity.

RESEARCH QUESTIONS

- Is an employee competencies act as an intermediary to achieve organizational goals and objectives.
- Do organizations focus on identifying and sharpening employee competencies?
- Does organizational productivity can be enhanced if the workforce of an organization managed effectively?

AIM OF THE STUDY

The basic aim of this study is to identify the intermediary role of employee competencies on assessing Organizational Productivity. It tries to outline and come out with a framework which focuses on highlighting the importance of employee competencies, on achieving organizational performance. The framework will provide a concrete idea and also highlights why an organization should give emphasis on assessing the competencies of their employees and also it answers to questions in what way proper training programs can be designed which lead to minimize error and wasted efforts.

METHODOLOGY

The fundamental objective of the research work is to explore the linkage between employee competencies and Organizational productivity. However the extant literature shows that existing literature is highly fragmented and lacks a unifying approach towards making a concrete framework. As a result this framework highlights different competencies of an employee and their underlying impact on measuring productivity. Basically, research papers extracted from the data bases of Proquest, Ebesco and emerald Database.

LITERATURE REVIEW

Competency management was first coined by David Mclelland, and later many more contributed to the field they are Boyatzis(1982), Spencer and Spencer (1993). They came with a competency model which discusses different competencies need to be possessed by employees. Competencies are also context specific it depends on position and level (Boyatzis, 1982; Delamare Le Deist & Winterton, 2005; and Youn, Stepich, & Cox, 2006). In today's cut throat competition organizations are extremely concerned and take necessary steps to shape and preserve their employees' competencies from time to time (Ozcelik and Ferman, 2006). So competency management gained a prominent figure now days. From the writings of (Schermerhorn), supports that good work performance basically occurs when employees contribute and support based on their abilities to complete the job and put in the required effort to achieve the desired goals. Though employee competencies classified into two broad areas they are hard competencies and soft competencies, overall based on the job the competencies need to acquire. Hard competencies are the professional attributes required to perform a job, whereas soft competencies are the personal attributes and behaviours which describes a person. Business studies have demonstrated that benefits are many fold of usage of competency management approach they are reduced turnover, reduced wasted efforts, minimize training costs, and increase in job satisfaction hence increase in productivity (Homer, 2001 in Robinson *et al.*, 2007). Thus, investigating the relationship between employee competencies and productivity has become a crucial and noteworthy approach. However, competencies acquiring depends on level and task

performance. Employee competencies and their integration with HR practices play a central role in creating a competitive edge over the existing players in the market (Hendry and Pettigrew, 1986; Barney, 1991; Lado and Wilson, 1994; Kamoche, 1996). In spite of this, it is also very essential that every organization should adopt a forward centric approach and the focus should not be on present competencies, but also spending enough time and training costs towards facing future requirement and challenges. Productivity is one of the growing topics of interest for both managers and researchers and has high priority in many sectors. The dynamism of organization policies and employee competencies to understand and overcome the complexities help an organization to map its strength and weakness and focus to overcome the weakness and the structures and strengthen the competencies. According to Miller and Monga (1986) studied that productivity of an organization largely depends on HR policies of an organization. However, the HR policies must be clear a feasible and proper care must be taken to ensure that employee accept it in a positive manner. The exploration of different literatures revealed that though presently organizations have realized that employees are the biggest and strongest strength to compete and create a differentiation, but still research work showed that spending on employee competencies is an ancillary aspect of the whole rather than primary focus. Koch and McGrath (1996) entrenched employee development in the human resource management framework used to examine productivity in a study of 319 business units.

THEORETICAL FRAMEWORK

The proposed theoretical frame work highlights the role and intensity of employee competencies in achieving organizational productivity. It consists of three major components, they are as discussed, independent variable, mediating variable and dependent variable

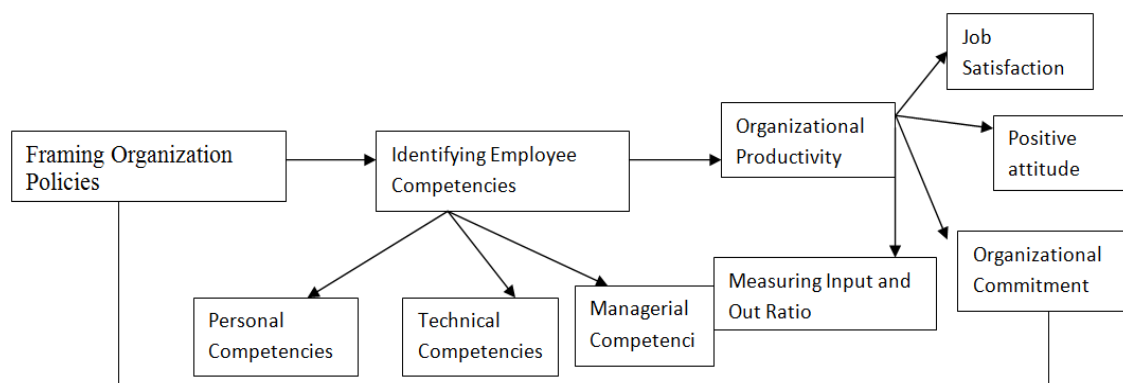


Figure 1

Organization's policies are one of the key elements which focus on achieving organizational goals and objectives. The policies designed by the top management must be translated to other level for implementation, but it is also very true and necessary to identify and make the employees understand about it implementation. Because ultimately they are the people who work on it for organizational growth and stability in the long run, the dynamic and changing market conditions made it enforced to consider employees every aspect of the employee strength. Revising and redesigning policies and procedures for requiring basis provides a supportive work environment to reshape the workforce of an organization. Employee competencies are the skills, knowledge and capabilities they always act as a mediating force to implement the policies framed by the organizations. Current challenges are basically not about what your employees possess, but it is all about how you make them fit to the need and create a conducive and job-satisfactory work environment (Powell 2004). The concept of job satisfaction has been broadly studied in the literature, due to its influence on work productivity,

employee turnover and employee retention (Javad and Davood, 2012). Measuring organization performance is not about to identify the efficiency but also the effectiveness of how far the workforce able to implement the framed policies. Organizational productivity can be identified by taking a number of variables, but mostly some of the important components are job satisfaction, developing a positive attitude, creating a committed work force. Focusing on human motivation and its impact on job satisfaction and productivity, scholars have conducted research on Employee Participation and empowerment (Drucker 1954, 1974; Likert 1967; Spreitzer, Kizilos, and Nason 1997; Ouchi 1981; Pascale and Athos 1981). Locke (1976) defined job satisfaction as a pleasurable and positive state of condition resulting from the job experience. Existing literatures cited that the level of job satisfaction of an employee results in minimizing discrepancies and reduced wasted effort as a whole which can lead to optimizely manage the resources. Few practices have made job satisfaction a top priority, perhaps because they have failed to understand the significant opportunity that lies in front of them. Satisfied employees tend to be more productive, creative and committed to their employers(J. Michael Syptak, MD, David W. Marsland, MD, and Deborah Ulmer, PhD). The relationship between job satisfaction and Organizational performance is a very complex issue to be addressed, as numbers of internal and external factors are there which measures organization performance but satisfied employees act as a brightening light in the night. Organizational commitment can influence organizational productivity and employee's wellbeing (Meyer and Herscovitch 2001).Malik et al (2011) stated that the performance of the employees is associated with their organizational commitment. Organizational commitment is dependent on employee's competence and internal motivation. The studies highlighted that the relationship between commitment and employee competence can be an issue of spotlight for preparing strategies. Some other aspects that lead to increase the efficiency of an organization and also create a differentiation among its existing players, establishing a positive association between employee competence and attitude. Developing the right attitude leads to increase the rate of commission and reduce turnover. The attitude of an employee is all about the belief, values, emotions and predispositions hold of people about an organization, event, and people. The right set of attitude can outline the how competencies can be mapped towards goals and objectives achievement.

CONCLUSIONS

The framework developed in this paper after an extensive review stated and focused to cope with the market changes and overcome the shortcomings faced by the organizations and also create a generic model which highlights the importance of employee competencies for organizational strategy framing and its achievement. From time to time it is very essential to spend time, effort and proper training expenses in order to attain the stated goals and objectives. Employee competencies lies at the core of every plans framed by an organization. Ultimately the productivity measurement of an organization can be achievable when their workforce is competitive enough from their competitors. Organizational productivity can be assessed not only through financial aspects but also other antecedents need to align in the same manner. The success of an organization can be analysed by focusing on commitment among employees, positive attitude of their employees, Job satisfaction. So it is evident to state clearly from the identified studies done on employee competencies, organizational productivity can be assessed only when workforce of an organization is competitive enough. The skills and competencies are monitored and measured on a continuous basis and employee competency measurement should not be an ancillary task rather it should be a prime objective of every organization.

IMPLICATIONS

Though competency management is not a new topic, the concept of competence basically given by David

McClelland, he is the man who focused on employees' competencies. Till today work carried in this area is quite not systematic and structured why as because still many areas need to be covered for study. In specific to Indian context many sectors still not adopted the concept of competency management and they have not realized that in what way they need to shape one of the strongest assets of an organization for getting substantial growth and performance. So different sectors should implement and analyse its use by taking every step and internalize for their benefits by increasing the level of Productivity.

SCOPE FOR FURTHER RESEARCH

The paper work developed a framework by taking employee competencies as an intermediating agent for achieving organizational productivity. It provides a sketch for other researchers and a brief about benefits of employees. In this work basically some of the antecedents taken to measure productivity. Others can be taken and work can be extended.

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